THE LEGISLATIVE ASSEMBLY OF
BRITISH COLUMBIA

MANAGEMENT OF THE WOODLOT LICENCE PROGRAM

SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS REPORT

2000

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The Legislative Assembly of
British Columbia

Management of the Woodlot Licence Program

Select Standing Committee on Public Accounts Report

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October 4, 2000

To the Honourable,
The Legislative Assembly of the
Province of British Columbia
Victoria, British Columbia

Honourable Members:

I have the honour to present herewith the *Fifth Report* of the Select Standing Committee on Public Accounts for the Fourth Session of the Thirty-Sixth Parliament.

The *Fifth Report* covers the work of the Committee on the matter of **Management of the Woodlot Licence Program**.

Respectfully submitted on behalf of the Committee.

Mr. Rick Thorpe, MLA
Chair

Ms. Evelyn Gillespie, MLA
Deputy Chair

101-03891/

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INTRODUCTION

A woodlot licence is a form of tenure under which licensees are granted exclusive rights to manage and harvest Crown timber within the woodlot licence area. The licence area includes private forest land owned by the licensee and located adjacent to or near Crown forest land. This private land portion of the woodlot licence area is commonly referred to as "Schedule A" land. Licensees must manage the area in accordance with the terms of woodlot licence agreements and regulatory requirements contained in the *Forest Practices Code of British Columbia Act* and other relevant regulations. Woodlot licences are valid for a term of 20 years, replaceable every 10 years. Prior to 1999, woodlot licences were granted for a term of 15 years, replaceable every 5 years.

British Columbia's woodlot licence program was established under the *Forest Act* in 1948. Originally, the program was designed to supplement the incomes of ranchers, farmers and local resident landowners. However, that program was small and there was much public support for a more comprehensive, expanded program to take its place. The program has been expanding since 1979, as a result of recommendations arising from the 1976 Royal Commission on Forestry, although it still accounts for less than 1.5 percent of the provincial allowable annual cut ("AAC"). As of September 1999 the number of active woodlots in the province was 791.

Despite much public support for the goals of the program, there have been concerns that it has not been expanded appropriately, and has imposed administrative requirements and costs out of proportion to its small size and the revenues generated by it. Moreover, the process of awarding licences has been the subject of some criticism.

From December 1998 to June 1999, the Auditor General conducted a review of the woodlot licence program. The results of the review were reported in August 1999. Your committee met in November 1999 to consider the Auditor General's findings, and to receive evidence from Ministry of Forests representatives. The committee also received a written update from the ministry in June of 2000, explaining actions taken since November. The Auditor General plans to verify this information in his follow-up review, which is expected to be conducted in the spring of 2001, at which time the committee will give further consideration to the topic.

GOALS OF THE WOODLOT LICENCE PROGRAM

The woodlot licence program has been viewed by many as a positive step toward increasing the amount of British Columbia forest land under sustainable management, and creating jobs in communities throughout the province. The program has also been promoted as an opportunity to develop unique management strategies whereby licensees may manage for both timber and non-timber values within the area, such as water quality, cultural heritage and biodiversity.

The ministry has established goals for the woodlot program, as follows:

- To increase the amount of private forest land being managed on a sustained yield basis
- To increase the productivity of small parcels of forested land
- To increase opportunities for private citizens to participate directly in small-scale forestry management operations
- To promote local employment opportunities
- To promote excellence in forest management – the ministry is currently working with the Federation of B.C. Woodlot Associations to provide a definition of "excellence in forest management"

The ministry communicates these goals to stakeholders in publications, advertisements and by video. However, your committee is concerned that stakeholders may not have a common understanding of the program's purpose. For example, some of the material produced by the ministry states that the program is intended to "supplement" licensees' income. Committee members were advised that the purpose of including this information is to avoid unrealistic expectations that woodlot licences may be a sole source of income. However, "supplementing income" has not been clearly defined by the ministry, and your committee has concerns about varying income expectations among stakeholders. The ministry has made efforts to address these concerns, by improving information on its website, and writing articles and discussion papers about the program's goals, how recent legislative changes relate to program objectives, and woodlot licence transfers.

EXPANSION OF THE WOODLOT LICENCE PROGRAM

Various studies have pointed to the social, environmental and economic benefits that small-scale forestry can offer to communities. Examples of successful small-scale woodlot forestry may be found in jurisdictions such as Finland, Sweden, New Brunswick and the United States. These benefits have also been recognized in British Columbia, resulting in calls for expansion of the woodlot licence program. In 1988, a "Woodlot Licence Study" was completed by Jack Bakewell for the Ministry of Forests. The Bakewell report noted that while the program had good objectives and was extremely popular with the public, it was a low priority to the Ministry of Forests and should be expanded.

A further review conducted for the ministry in 1991 by lawyer David Gillespie also expressed support for expansion of the program. That report noted that "the Woodlot Program is seen by many as one of the key methods by which better forest management might be achieved" (p. 17). Both the Bakewell and Gillespie studies also pointed to the environmental benefits of smaller tenures such as woodlot licences, which allow for more sensitive and sustainable logging practices.

Based on the recommendations of the Gillespie report, in 1994 the government undertook an initiative to expand the woodlot licence program by offering an additional 500 licences. The availability of AAC for more woodlot licences was due in part to provisions in the *Forest Act* which provide for a "take-back" of 5 percent of a forest or timber sale licensee's AAC upon the transfer of corporate control of the licensee.

To facilitate expansion of the program, Forest Renewal B.C. provided $24 million in funding to the ministry for the 1994/95 to 1997/98 period. The program's full-time employee allocation for that period increased from 6 to 47.5. Forest Renewal B.C. also provided additional funding of $3.1 million for the fiscal year 1998/99.

Because of difficulties in securing the additional human resources necessary for program expansion, and locating enough suitable and available areas of Crown forest land, the number of additional licences made available under the program was reduced to 350 in 1996. That target has been met.

Varying opinions exist as to whether expansion of the program has been undertaken with the necessary degree of economic analyses, and business and strategic planning. For example, some have pointed to the fact that, despite the increased number of woodlot licences, stumpage revenue from the program did not increase

significantly over the 1994/95 –1998/99 period. However, committee members do acknowledge that year-to-year stumpage revenue comparisons are difficult, due to the variability of lumber prices and the fact that licensees may take their cut over a 5-year cut control period.

Your committee was pleased to hear that work is currently underway to compare the employment capability of woodlots to other means of forestry. As well, the ministry, in consultation with the Federation of B.C. Woodlot Associations, is engaged in strategic planning for the woodlot licence program, and expects a strategic plan to be completed by the fall of 2000.

ADMINISTRATION OF THE WOODLOT LICENCE PROGRAM

Woodlot licence program revenues come primarily from stumpage, which is collected only from the Crown land portion of the licence area. Annual rents and fees and penalties paid by licensees also generate revenue. Woodlot licence program revenues form part of the Consolidated Revenue Fund, with a portion of stumpage revenue going to Forest Renewal B.C.

In 1995, a new *Forest Practices Code of British Columbia Act* came into effect. The *Code*, which was introduced to ensure sustainable forestry practices in the province, sets out:

- standards for forestry activities
- required planning processes
- standards for environmental protection
- requirements for monitoring compliance with the Code and its regulations
- prohibitions against unauthorized forestry practices
- enforcement actions that may be taken in response to violation of the Code and its regulations

Although the intent of the *Code* is laudable, the requirements contained in it have proven to be costly and time-consuming for licensees, and for the ministry to administer. Despite their small-scale nature, woodlot licences have been subject to the same higher-level, operational and management planning requirements under the *Code* as have larger tenures, such as tree farm licences.

As such, there have been concerns that over the 1994/95 to 1998/99 period the costs of administering the woodlot licence program have accounted for a relatively high proportion (approximately 30 percent, if looking at direct costs only) of the revenues generated by the program

Ministry representatives have submitted that high administrative costs during this period are attributable to program expansion, which has proven to be an extremely resource-intensive process. However, expenditures as a percentage of revenue are decreasing, and this trend is expected to continue as the program begins to see increased revenue from new woodlot licences that were granted in 1998/99. For example, in the fiscal year 1999 – 2000, approximately 22.5% of the stumpage billed from woodlot licences was required for administration of the program. Ministry representatives also submit that, while the initial start-up costs for woodlot licences are considerable, they are incurred only once during the life of these long-term tenures, and are written off by licensees relatively quickly.

The government has taken steps in recent years to streamline regulatory requirements related to woodlot licences, and to reduce the costs of administering the program. For example, a new *Woodlot Licence Forest Management Regulation* came into effect in November 1998. That regulation consolidates all *Forest Practices Code* provisions applicable to woodlot licences into one document, and reduces some of the planning requirements in order to recognize the small-scale nature of woodlot licences. As well, in legislation receiving royal assent on June 12, 2000, the government has introduced further streamlining amendments to provide more flexibility regarding cut control requirements, and to eliminate the requirement that timber marks for Schedule A land be renewed every 5 years. . The committee was also encouraged to hear that, as part of the ministry's "Results-Based Forest Practices Code Pilot Project", a pilot project has been commenced in conjunction with the Cariboo Woodlot Association. Under the project, a "total management" philosophy contained in comprehensive "Woodlot Plans" will replace the numerous and detailed planning and approval processes which licensees have had to follow in the past. Annual audits will evaluate licensees' performance in woodlot management.

The budget for the woodlot licence program decreased considerably from 1998/99 to 1999/00, from an estimated $3.4 million to an estimated $1.95 million, due to the cessation of Forest Renewal B.C. funding. However, the committee learned that these estimates include only the direct costs of program delivery, not including the salaries and costs of staff in other branches of the ministry which play a role in delivering the program. For further discussion of the ministry's collection of financial information, please see page 16 below.

WOODLOT LICENCE TRANSFER POLICY

Under the *Forest Act*, written approval from the Minister of Forests must be obtained prior to the transfer of a woodlot licence, or disposition of private land included in a woodlot licence. At the moment, the minister has delegated this authority to the deputy minister. However, concerns have arisen in the past about the fairness and equity of the ministry's licence transfer process. In particular, concerns have been expressed regarding an instance occurring in the Prince George area where the licence application process was not re-opened to others prior to licence transfer.

As well, licensees contemplating a disposition of private land included in a woodlot licence area often look to ministry staff for guidance regarding transfer. In the past, this guidance has not been sufficient because the ministry had not developed a woodlot licence transfer policy. However, your committee was pleased to hear that in May 2000 a package containing a draft woodlot licence transfer policy, and a memo delegating authority to regional managers to consent to such transfers, was presented to the Minister of Forests. As of early October, 2000 the draft policy was awaiting ministerial approval.

WOODLOT SIZE

The *Forest Act* sets out the maximum allowable size of the Crown land portion of woodlot licence areas under the woodlot licence program. Coastal woodlots (those located in the Vancouver Forest Region or the North Coast Timber Supply Area) must not exceed 400 hectares in area, while interior woodlots (those located in the rest of the province) may be a maximum size of 600 hectares.

The committee has been made aware of concerns that legislated size restrictions may be impeding the ministry's ability to achieve program goals, particularly the objective of increasing the amount of private forest land being managed on a sustained yield basis. As well, in March 2000 the Forest Policy Review, led by B.C.'s Jobs and Timber Accord Advocate Garry Wouters, recommended that the maximum size of woodlots be increased under certain circumstances. In this regard, in August 2000 the ministry is expected to finalize a proposed amendment to the Act to allow more flexibility to expand woodlot licences that currently contain Crown land portions at the maximum allowable size (600 hectares) and have an AAC of less than 750 cubic metres. The ministry is also considering a proposal to amend the *Forest Act* to provide that additional private land contributions should be matched by similar additions of Crown land.

WOODLOT LICENCE TOP-UP POLICY

In 1992, the *Forest Act* was amended to increase the maximum allowable size the Crown land portion of woodlots located in the interior of the province, from 400 to 600 hectares. "Top-up" refers to the process by which interior licensees have had additional Crown forest land included in the area of their woodlot licence.

Concerns have been identified regarding application of the ministry's top-up policy, and it has been argued that achievement of program goals has not received priority in the ministry's decision to grant top-ups. For example, existing licensees receiving top-ups have not been required to add any additional private lands to the woodlot licence area, nor to provide any financial information to justify increasing the size of the woodlot. There have also been inconsistencies between districts in the application of the ministry's top-up policy. The ministry has communicated this concern to district staff, who have been instructed to evaluate all top-up applications to ensure they meet policy requirements. However, the ministry disagrees with the suggestion that top-ups should only be granted to licensees who are furthering program goals, submitting that principles of administrative fairness require that top-ups be provided to all who qualify under the legislation.

CUT CONTROL POLICY

A five-year "cut control" period takes effect beginning on January 1st of the year a woodlot licence is issued. During that period, the woodlot licensee is given freedom to respond to market cycles by determining when and how much timber is harvested, as long as between 80% and 120% of the total AAC for the 5-year period is harvested. Your committee was advised that some forest districts have been prorating the AAC for the first year of the licence based on the number of months remaining in that year, which has negatively impacted licensees receiving licences late in the year. The prorating practice is also contrary to the legislative requirement that a full year's cut be provided during the first year of operation. The ministry has circulated a memo to district managers to clarify the legal requirement.

SELECTION PROCESS

Prior to a new woodlot licence being made available, the ministry conducts consultations with local woodlot associations and other stakeholders in the proposed area. Once an area has been chosen, the woodlot licence opportunity is advertised in local newspapers and the *B.C. Gazette*, in accordance with regulatory requirements.

To obtain a woodlot licence, an applicant must comply with Canadian citizenship/residency and age requirements contained in the *Forest Act*. Applicants must also submit detailed proposals. Proposals are often prepared with the assistance of registered professional foresters, but guidance regarding application requirements may also be provided by ministry staff upon request.

Applications for woodlot licences are evaluated according to the following criteria:

- Quantity, location and productivity of the private land that is to form part of the woodlot licence area;
- Qualifications of the applicant – experience, community involvement, education and training, proximity of permanent residence to the woodlot licence area;
- Management intent proposed by the applicant – private land management history, management objectives, improvement methods, resource inventories, integrated resource management, social and community concerns, management opportunities.

The ministry often receives between 5 and 10 applications for a single woodlot licence. Licences are not awarded until expiry of a 30-day review period, during which time applicants may obtain explanations regarding the scoring of applications.

The ministry's woodlot licence application evaluation process has been the subject of some concern over the last few years. It has been suggested by some that the objectives of the program are not being given due consideration during the selection process. In particular, concerns have been conveyed to your committee by individuals residing in the Prince George area that:

- Some individuals have been receiving advance notice of upcoming woodlot licence offerings, and acquiring adjacent land by purchase at less than fair market value, or by lease agreement. Individuals identified as having such advance knowledge include former ministry employees, and registered professional foresters employed by corporate licence holders;
- The applications of registered professional foresters, particularly those employed by large companies, have been receiving preferential treatment in the selection process;
- Unproductive or already-encumbered private lands have been accepted as "Schedule A" land for inclusion in woodlot licence areas;

- During application evaluation, insufficient weight has been given to whether the applicant has a permanent residence located near the Crown-owned portion of the licence area.

Committee members also learned that the *Forest Act* currently does not allow district managers, in reviewing licence applications, to consider previous ownership of the land, or how an applicant has acquired or financed the private land being offered for inclusion in the licence area. District managers, when considering private land ownership as part of the application evaluation process, are concerned primarily that the land is owned in fee simple by the applicant. Moreover, in the application evaluation criteria, there is no requirement that woodlot licensees maintain a permanent residence close to the woodlot.

The ministry has tried to address concerns by instituting a policy (effective in 1993) providing that leased land will not be considered in woodlot licence applications, and that preference is to be given to applicants with private land capable of growing merchantable timber, and who reside near the woodlot licence area.

The Auditor General's review found the application evaluation process currently used by the ministry to be adequate in ensuring selection of the most suitable candidates for woodlot licences, and noted that many of the concerns identified relate to licences granted prior to expansion of the program in 1994. Furthermore, a review of the occupational status of woodlot licensees as of December 31, 1998 indicates that more than one-third of licensees have identified their occupation as "farmer/rancher", and one-fifth as "logger". Registered professional foresters (including those employed by major companies, and those working independently or as consultants) accounted for 14.6 percent, and ex-ministry employees 3.8 percent, of woodlot licensees. On a regional basis, the results of the review were similar, with the largest percentage of licensees falling into the occupational status of "Farmer/Rancher" or "Logger". The Cariboo region had the largest percentage of licensees in the occupational category of Registered Professional Forester – 19 percent (including those employed by major companies, and working independently or as consultants). Your committee does note that, due to their knowledge and experience, registered professional foresters are well-positioned to obtain and manage woodlot licences.

However, although the ministry has developed policies regarding the application of evaluation criteria, there may be too much flexibility in the process for it to be perceived as an objective one. In particular, "weighting ranges" provided for in the ministry's evaluation policy allow district managers to place varying degrees of emphasis on criteria. For example, the weighting range for the criterion relating to an applicant's qualifications is 20 to 50 percent.

While your committee acknowledges that some flexibility and discretion in the application of evaluation criteria is necessary in order to take individual situations into account, the current practices allow for too much subjectivity in the evaluation process, and inconsistent application of criteria from one district to another. There have also been instances where district offices have not complied with the weighting ranges provided in ministry policy, and where the 30-day review process has not been applied consistently.

According to ministry representatives, all district staff have been notified of these concerns, and are now required to work more closely with ministry staff in Victoria when new licences are advertised. The ministry has been working with the Federation of B.C. Woodlot Associations to develop a simpler evaluation and award policy. The original target date for completion of the policy was June 2000, but this target has been missed due to the time and resource commitments necessitated by revision of the licence transfer policy and streamlining amendments. It is expected to be complete by the end of 2000.

MONITORING COMPLIANCE WITH REQUIREMENTS

Woodlot licensees have numerous responsibilities as described in the terms of licence agreements, the *Forest Practices Code of British Columbia Act* and the *Forest Act.* As well, woodlot licence agreements require licensees to incorporate commitments made in applications into planning documents.

The *Forest Act* provides authorization for regional or district managers to suspend rights granted under woodlot licences if licensees fail to perform obligations specified in woodlot licence agreements or in applicable legislation, regulations and/or standards. There is also provision for suspension if there has been a material misrepresentation, omission or misstatement of fact in the licence application or an operational plan. Finally, the *Act* authorizes cancellation of woodlot licences held by licensees whose rights have been suspended.

However, your committee has learned that achievement of the program's objectives may be hindered by the fact that licensees are not always held accountable for significant commitments made in their applications, although efforts have been made recently to link fulfillment of commitments with the granting of rights under the program (ie. licence transfers, approvals to acquire or operate a timber processing facility). Committee members urge the ministry to continue its work in reviewing and comparing woodlot licence applications to management plans, and in monitoring completion of licensees' commitments.

MONITORING SILVICULTURE REQUIREMENTS

Part 6 of the *Woodlot Licence Forest Management Regulation* prescribes silviculture responsibilities for woodlot licensees. Following harvesting, licensees are required to establish a "free growing stand" within a certain period of time, which is either specified in an operational plan for the area, or in the regulation. That period is generally 12 – 15 years, depending on the biogeoclimatic zone in which the woodlot is located.

The ministry's compliance and enforcement branch does monitor and report on regulatory infractions and penalties on an annual basis, and has determined that woodlot licences represent a low-risk area due to their small size and natural regeneration tendencies. As such, monitoring of woodlot licensees' compliance with silviculture obligations has been a relatively low priority in times of fiscal restraint. Concerns have also been raised about the consistency of monitoring from one district to another.

The ministry is endeavouring to place more emphasis on silviculture performance as one of the key objectives of the woodlot licence program, and is now linking silviculture performance to the granting of licence transfers, top-ups, authorizations for establishment of timber processing facilities, and forest product certifications. As well, a recent survey conducted by the ministry has indicated that virtually all forest districts have reviewed silviculture obligations, or plan to do so during the summer of 2000.

COLLECTION OF PROGRAM INFORMATION, PERFORMANCE MEASURES AND REPORTING ISSUES

Collection of Program Information

In order to be able to measure and report on program performance, it is important that program information be regularly collected and easily accessible to ministry staff. The ministry uses several information systems to collect information about woodlot licences – the Forest Tenures Administration System, Integrated Silviculture Information System, , and Enforcement Action, Administrative Review and Appeal Tracking System. However, incomplete entry of data has affected the ministry's ability to collect woodlot licence program information for performance measurement and reporting purposes.

Moreover, members of the committee were made aware that while the ministry does regularly collect information regarding woodlot licence program costs funded by Forest Renewal B.C., information about all direct and indirect program costs funded by the ministry itself have not been tracked. As a result, the ministry's ability to conduct a comprehensive assessment of the program's financial results has been impaired. The ministry has emphasized the challenge of estimating all program delivery costs, stating that many Forest Service staff make small contributions to the delivery of the program which are difficult to track. They have also emphasized that resources are not available to allow for detailed tracking of this nature. In this regard, your committee notes that the budget for the woodlot licence program for the fiscal year 1999/00 was less than four-tenths of one percent of the entire Forest Service budget.

Your committee is encouraged to hear that the ministry has recently updated all woodlot licence data in its Forest Tenures Administration System, which contains all administrative information relating to woodlot licences, and also plans to update information contained in the Integrated Silviculture Information System. Furthermore, the ministry has recently completed a project tracking direct and indirect woodlot licence program costs in districts on a sample basis. Information collected from this initiative was summarized in June 2000, and used to provide estimates for the entire program. According to ministry representatives, based on the estimates, the projected cost to administer the program during the 1999/00 fiscal year was $4,556,065 (which includes all direct and indirect costs, including the costs and salaries of staff in other branches who play a role in delivery of the woodlot licence program). During that year, stumpage revenue generated by the program totalled $20,264,858.

The Auditor General plans to verify this information in the fall of 2000 .

Performance Measurement and Reporting Issues

In the past, the ministry's ability to conduct thorough analyses of woodlot licence program performance, and to report results to stakeholders and the Legislative Assembly, has been hampered because an evaluation framework has not been established for the program. As a result, performance reports have contained insufficient information regarding program goals, accomplishments and financial results, and have not been completed in a timely manner.

A preliminary program evaluation framework, including draft performance measures, was tested during the fiscal year 1999/00. A draft report on performance of the woodlot licence program was completed in June 2000, and includes more detailed financial and performance information than have previous reports. As well, staff at the Office of the Auditor General plan to work with the ministry to improve and refine the draft program performance measures.

WOODLOT LICENCE PROGRAM - FUTURE DIRECTIONS

As briefly discussed above in this report, in July 1999 B.C.'s Jobs and Timber Accord Advocate was asked to review provincial forest policy. The policy review involved an extensive public consultation component. When the Forest Policy Review report entitled "Shaping Our Future" was issued in March 2000, it included several recommendations to the government to assist it in setting future directions for the woodlot licence program. The report includes recommendations to double the number of woodlots over the next ten years, increase the maximum size of woodlots under certain circumstances, and provide policy direction to enable the transfer of woodlot ownerships. The report further recommends appointment of a task force to review and recommend structures for local community-based decision-making with respect to land use planning, forest management and community diversification. Decisions must now be taken by the government regarding endorsement of the Forest Policy Review recommendations. However, ministry representatives have advised that the program will not be expanded until expansion goals are further articulated, program delivery costs are reduced, and necessary staff resources and AAC are made available.

CONCLUSION

The social, economic and environmental benefits flowing to the province of British Columbia from the existence of the woodlot licence program are clear, and yet there is room for improvement in the way the program is administered. Identification of program goals, development of a more objective and simplified licensee selection process, administrative streamlining, improved monitoring, as well as better information-collection, strategic planning and public reporting by the Ministry of Forests will all serve to enhance the program and ensure that its very worthwhile objectives are fulfilled.

Resource constraints currently being experienced by the ministry will no doubt impact its ability to carry out the work necessary to implement these improvements. Therefore, your committee believes it is imperative that the ministry continue to prioritize its program improvement efforts in accordance with the goals of the program and the needs of stakeholders.

Committee Recommendations

Your Committee recommends that the Ministry of Forests:

1. **Continue its efforts to ensure that all stakeholders share a common understanding and awareness of the woodlot licence program**
2. **Develop a long-term vision and strategic plan for the woodlot licence program, based upon a thorough analysis of the social, economic and environmental benefits of the program, and the resources likely to be available in the future.**
3. **Continue in its efforts to streamline the administrative requirements of the woodlot licence program, to ensure that they are consistent with the small-scale nature of the woodlot licence tenure and the revenues which are reasonably expected to be generated from the program.**
4. **Ensure that a clear policy on woodlot licence transfers is approved by the Minister and implemented as soon as possible.**
5. **Continue its efforts to address limitations caused by current woodlot size maximums, to ensure that there are no impediments to the achievement of program goals.**
6. **Prior to granting top-ups of woodlots, the Ministry of Forests ensure that doing so contributes to the achievement of the program's goals, and that licensees are meeting performance expectations.**

7. **Continue its efforts to ensure that the cut control policy is applied fairly and consistently to all licensees.**

8. **Provide better provincial definitions for some of the key criteria used in the application evaluation process.**

9. **Ensure that staff and applicants have a good understanding of the application evaluation process and criteria.**

10. **Continue its efforts to develop a simpler, more objective application evaluation process.**

11. **Ensure that district offices comply with the predefined category weighting ranges when advertising woodlot licence opportunities.**

12. **Ensure that all districts apply the 30-day review period process in a consistent manner.**

13. **Ensure that woodlot licensees are held accountable for commitments made in their applications, by enforcing the woodlot licence agreement requirement that such commitments be incorporated into woodlot licence management plans.**

14. **Continue its efforts to ensure that woodlot licensees meet their silviculture responsibilities.**

15. **Continue its efforts to ensure that essential data is entered into its information systems in a timely manner.**

16. **Continue its efforts to ensure that information about all costs attributable to the woodlot licence program is collected, to allow an assessment of financial results.**

17. **Place priority on finalizing a program evaluation framework, including performance measures, for the woodlot licence program.**

18. **Provide comprehensive program performance information to stakeholders and the Legislative Assembly in a timely manner.**

APPENDICES

Appendix I - Written Submissions

- British Columbia, Office of the Auditor General, "Managing the Woodlot Licence Program" (Presentation to the Select Standing Committee on Public Accounts) November 2, 1999
- British Columbia, Ministry of Forests, "Ministry Response to the Recommendations in the Auditor General's Report on the Woodlot Licence Program", November 2, 1999

Appendix II - Research Documents

- Wouters, Garry. *Shaping Our Future: B.C. Forest Policy Review*, British Columbia Ministry of Forests, March 2000
- Reedy, Harold. *Small-Scale Forestry*, British Columbia Ministry of Forests, October 1999
- Bakewell, Jack. *Woodlot Licence Study*, British Columbia Ministry of Forests and Lands, May 1988
- Gillespie, David W. *Program Review: Small Business Forest Enterprise Program, Woodlot Program*, British Columbia Ministry of Forests, January 1991
- "Victoria doubling woodlot licences, timber volume", Rod Nutt, *The Vancouver Sun*, October 1, 1994, p. B5
- "Enviro group seeks probe of woodlot licences", Gordon Hamilton, *The Vancouver Sun*, November 13, 1998, p. F4
- "Woodlot licence logjam needs to be broken", Ken Drushka, *The Vancouver Sun*, July 28, 1999, p. D2
- "Woodlot licences to be probed", Charlie Anderson, *The Province*, December 13, 1998, p. A36
- "The sad fate of Woodlot Licences", Ken Drushka, *Business in Vancouver*, September 22-28, 1998, p. 24
- "On the scale of things woodlots are very small", Rick Crosby, *Business Logger*, November 1998, p. 7
- "Bureaucrats have managed to effectively smother B.C.'s woodlot licence program", Ken Drushka, *Business in Vancouver*, September 10-16, 1996, p. 6
- "Woodlot licence program enables small-scale forest management on Crown land", Russ Cozens, *The BC Professional Forester*, May/June 1995, No. 3, p. 12
- "Legislation Allows Testing of Performance-Based Forest Practices Code", *The Forest Industry Trader*, June 29, 1999, p. 4
- "Square Pegs in Round Holes: Ecoforestry and the Public Woodlot Program", Cheri Burda, *International Journal of Ecoforestry*, Spring 1997, 12(3), p. 259
- British Columbia Ministry of Forests, "Results-Based FPC Pilot Projects", April 3, 2000, www.for.gov.bc.ca/hfp/rbpilot/

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Appendix III - Correspondence

- Letter from Garry Nunley to Rick Thorpe, Chair, Select Standing Committee on Public Accounts, undated
- Letter from Doug Kronebusch to Rick Thorpe, Chair, Select Standing Committee on Public Accounts, undated
- Letter from David Voss to Rick Thorpe, Chair, Select Standing Committee on Public Accounts, undated
- Letter from R.J.R. Frigon to Rick Thorpe, Chair, Select Standing Committee on Public Accounts, undated